Encouragement to telecom equipment manufacturing industry

1729. SHRI ABANI ROY: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether it is a fact that in spite of rapid growth in telecommunications, the telecom equipment manufacturing industry has not been properly encouraged;

(b) if so, whether Government have taken or propose to take any drastic steps to encourage indigenous telecom manufacturing units in the country; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI ASHOK PRADHAN): (a) No, Sir. In order to provide encouragement to the telecom equipment manufacturing sector a number of incentives have been given, including the following:

(i) Telecom service providers have been allowed to issue Form 'C, enabling telecom equipment manufacturers to avail concessional sales tax.

(ii) The products, including telecom equipment, covered under Information Technology Agreement (ITA-I) of World Trade Organisation (WTO) have been extended the benefit of Electronic Hardware Technology Park (EHTP) Scheme in Export Import Policy 2002-2007 amended on 31.03.2003 to boost indigenous telecom manufacturing industry.

However, this sector has to compete with the global players and match the manufacturing scale, quality and prices to remain viable as customs duty on telecom equipment would be zero in the year 2005.

(b) and (c) Do not arise in view of (a) above.